



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION IV
611 RYAN PLAZA DRIVE, SUITE 400
ARLINGTON, TEXAS 76011-8064
June 16, 1998

EA 98-322

William T. Cottle, President and
Chief Executive Officer
STP Nuclear Operating Company
P.O. Box 289
Wadsworth, Texas 77483

SUBJECT: NRC INSPECTION REPORT 50-498/98-01; 50-499/98-01 AND NOTICE OF
VIOLATION

Dear Mr. Cottle:

An NRC inspection was conducted March 23-27, 1998, at your South Texas Project Electric Generating Station, Units 1 and 2, reactor facilities. Following the inspection, an exit meeting was held to provide the inspection findings to you and other members of your staff. Your staff submitted additional docketed information (Letter NOC-AE-000132), dated April 14, 1998, regarding the inspection findings. Subsequently, inoffice inspection was conducted until June 10, 1998, and a supplemental telephonic exit was held with your staff on that date. The purpose of the inspection was to assess your program implementation for meeting the requirements of 10 CFR 50.65, "Requirements for Monitoring the Effectiveness of Maintenance at Nuclear Power Plants [the Maintenance Rule]." The enclosed report presents the scope and results of that inspection.

The inspection results revealed that you had developed and implemented an appropriate program to meet the requirements of 10 CFR 10 50.65. However, the team identified two violations of the Maintenance Rule.

The first violation involved the failure to include in the scope of the Maintenance Rule program the digital rod position indication system and the function of the electrical auxiliary building heating, ventilating, and air conditioning system to automatically and manually transfer control room envelope ventilation to the recirculation operating mode upon smoke detection at the heating, ventilating, and air conditioning inlet. While we acknowledge that you do not agree that a violation occurred and your position that the rod position indication system is referred to in emergency operating procedures to determine whether rods are fully inserted, an assessment function and not an accident mitigation function, we disagree because the assessment function is an integral portion of the mitigation function. A primary operator action taken during use of emergency operating procedures is to determine whether control rods are fully inserted and adequate shutdown margin has been achieved.

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The failure to include the control room envelope ventilation transfer function in the scope of the Maintenance Rule is a concern because of your definition of "safety system actuation." You chose to deviate from the NUMARC 93-01 definition of "safety system actuation," and use the INPO definition. The NRC has not endorsed the less comprehensive INPO definition of "safety system actuation."

The second violation involved the failure to assure that adequate performance measures were established to demonstrate that the performance or condition of certain structures, systems, and components within the scope of the Maintenance Rule program were effectively controlled by appropriate preventive maintenance. The solid state protection system was identified as an example of this failure. We are concerned about this violation because the failure to monitor and assure that proper maintenance is performed on equipment that will prevent or mitigate an accident or transient is important to assure that safety equipment functions on demand. You did not agree that this violation occurred and asserted that the plant level and reliability performance criteria effectively monitors system health and preventive maintenance effectiveness and unavailability performance criteria do not provide a meaningful measure of performance for the solid state protection system. We disagree with this viewpoint because during quarterly surveillance testing the affected train of the solid state protection system would be rendered unavailable to perform its automatic function without human action, and would require several steps to restore the functionality, if needed, and (2) NUMARC 93-01 recommends that to the maximum extent possible, both availability and reliability should be used to provide the maximum assurance that performance is being monitored. The team's initial review and discussions with your staff determined that risk significant electrical, and instrumentation and control structures, systems and components were also not monitored for unavailability, as was the solid state protection system. Therefore, in addition to the response requirements specified in the notice of violation please provide in response to this violation, a demonstration that balancing of reliability and unavailability in accordance with 10 CFR 50.65(a)(3) is being met for those other risk significant structures, systems, and components for which you are not monitoring unavailability.

These violations are cited in the enclosed Notice of Violation (Notice) and the circumstances surrounding the violations are described in detail in the enclosed report. Please note that you are required to respond to this letter and should follow the instructions specified in the enclosed Notice when preparing your response. The NRC will use your response, in part, to determine whether further enforcement action is necessary to ensure compliance with regulatory requirements.

In accordance with 10 CFR 2.790 of the NRC's "Rules of Practice," a copy of this letter, its enclosure, and your response will be placed in the NRC Public Document Room (PDR).

STP Nuclear Operating Company

-3-

Should you have any questions concerning this inspection, we will be pleased to discuss them with you.

Sincerely,

for Dwight D. Chamberlain
for Arthur T. Howell III, Director
Division of Reactor Safety

Docket Nos.: 50-498; 50-499
License Nos.: NPF-76; NPF-80

Enclosures:

1. Notice of Violation
2. NRC Inspection Report
50-498/98-01; 50-499/98-01

cc w/enclosures:

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STP Nuclear Operating Company

-4-

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Environmental and Natural Resources Policy
Office of the Governor
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Austin, Texas 78711

Judge, Matagorda County
Matagorda County Courthouse
1700 Seventh Street
Bay City, Texas 77414

E-Mail report to T. Frye (TJF)
 E-Mail report to D. Lange (DJL)
 E-Mail report to NRR Event Tracking System (IPAS)
 E-Mail report to Document Control Desk (DOCDESK)
 E-Mail report to Richard Corriea (RPC)
 E-Mail report to Frank Talbot (FXT)

bcc distrib. by RIV:

Regional Administrator
 DRP Director
 Branch Chief (DRP/A)
 Project Engineer (DRP/A)
 Branch Chief (DRP/TSS)
 M. Satorius, OE

Resident Inspector
 DRS-PSB
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Regional Administrator
 DRP Director
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